



**Ninety-Seventh Legislature - First Session - 2001**  
**Committee Statement**  
**LB 568**

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**Hearing Date:** January 31, 2001

**Committee On:** Revenue

**Introducers:** (Wickersham)

**Title:** Change budget and audit provisions

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

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**Vote Results:**

6	Yes	Senators Coordsen, Dierks, Janssen, Raikes, Redfield and Wickersham
0	No	
0	Present, not voting	
0	Absent	Senators Hartnett and Landis

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**Proponents:**

Senator William R. Wickersham  
Deann Haeffner  
Scott Sidwell

**Representing:**

Introducer  
Auditor of Public Accounts  
Nebraska Association of County Officials

**Opponents:**

None

**Representing:**

**Neutral:**

Gary Krumland  
Kate Witek

**Representing:**

League of Nebraska Municipalities  
State Auditor

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**Summary of purpose and/or changes:**

LB 568 revises provisions of the Local Government Budget Act, and provisions of local government audit requirements enforced by the State Auditors Office. Some of the provisions of the bill were recommended by the Nebraska Budget Act Advisory Board created in 1999 by LB 86.

Section 1 moves the date for filing a public budget from a uniform date of not later than August 1 to the date when legal notice of each budget is first published by the local government. It reduces prior year budget information published from two years to one year of information.

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This section also eliminates obsolete language referring to repayment of personal property taxes budget information required to be published through the fall of 1999.

Section 2 eliminates a provision that allows direct mailing of budget notices to each resident of the community instead of publication.

Section 3 eliminates a provision that directs governments to revise and certify the amount of property tax to be levied after revising their budget at some point in the fiscal year.

Section 4 revises statutes on village governments to allow for an audit waiver by the State Auditor's office. This will allow an audit waiver form to be used rather than the current unaudited financial statement. The Auditor will have discretion to require a certified financial audit under the provisions of Section 84-304. Other amendatory language allows village owned utilities to use a cash accounting basis rather than accrual accounting when the village utility is subject to a formal audit.

Section 5 eliminates a reference to the unaudited financial statement that would no longer be used by villages.

Section 6 harmonizes a provision on judgement exceptions in levy limits to be in accord with other statutory provisions that allow a budget lid exception to judgments except for those granted by the Commission on Industrial Relations.

Section 7 eliminates a reference to direct mailing of a notice to each resident within the school district of a special levy for environmental hazard abatement projects.

Section 8 authorizes villages to use audit waiver provisions upon request of the government seeking the waiver of an audit requirement. The language adds villages to a list of governments that may use audit waiver forms and provisions.

This section also changes references to a fire district audit provision that require an audit once every five years. The references make the audit requirement apply to fire districts with expenditures of \$150,000 OR LESS, rather than the current LESS THAN \$150,000.

Finally, this section requires the State Auditor to develop and maintain a system for electronic filing of budget information by local governments. It also requires the office to develop and maintain a financial information reporting system that is accessible online by the general public.

Section 9 repeals the original sections.

Section 10 repeals outright an obsolete statute that created the Nebraska Budget Act Advisory Board.

Section 11 declares an emergency.

**Explanation of amendments, if any:**

The Committee amendments:

- 1) Change the mandate for on line budget filing and web access to a requirement of a plan to do so.
- 2) Clarify some language in section 11, and
- 3) Provides a July 1 operative date for sections dealing with budget filings and village audits.

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**Senator William R. Wickersham, Chairperson**